

RECOVERY FUNDS AT WORK IN OHIO'S SIXTH DISTRICT Wilson Announces New Small Businesses Lending Program

Washington, DC – Many local small businesses may soon be eligible for interest-free loans under a new program created by the American Recovery and Reinvestment Act (ARRA). The newly launched “America’s Recovery Capital” (ARC) program allows small firms to take out loans of \$35,000 to pay down existing business debts. Borrowers pay no interest on the ARC loans and repayment does not begin for one year. The loan program was established through the ARRA, which Congressman Charlie Wilson (OH-6) voted to support and President Barack Obama signed into law in February. Wilson said the new loans are part of Congress' ongoing work to help rebuild the economy.

“Small businesses are the backbone of our local economies,” Wilson said. “In this tough economy, many of these businesses are struggling to stay open. The ARC program will help our local entrepreneurs and small business owners pay their bills, retain employees, and hire additional staff.”

To qualify for the ARC loans, small firms must demonstrate they are experiencing immediate financial hardship due to the economic downturn, but are otherwise deemed by the Small Business Administration (SBA) to be viable. The loans will be made by commercial lenders and can be used for payments of principal and interest for existing, qualifying small business debts like credit card obligations, mortgages, lines of credit, and balances due to suppliers, vendors, and utilities. Wilson said that in addition to the ARC loan program, the ARRA contained other measures aimed at helping small firms access credit. For instance, the new law increases the percentage of a loan that the SBA can guarantee, makes SBA-backed loans more affordable and provides tools to unfreeze the small business credit markets, helping small companies access capital at affordable rates.

“Small businesses are responsible for creating three of out every four new jobs. The more successful our local small businesses are, the more employees they can hire, and the more quickly we can get out of this recession,” Wilson said. “In order to achieve long-term economic growth, we must support small businesses.”

To apply for ARC loans, businesses should visit their local SBA-approved small business lenders. The loans will be available through Sept. 30, 2010, or until appropriated funding runs out. Additional information about the ARC loan program is available at <http://www.sba.gov/recovery/arcloanprogram/index.html>